Exhibit No. BGM-4 Dockets UE-170033/UG-170034 Witness: Bradley G. Mullins

BEFORE THE

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,	DOCKETS UE-170033 and UG-170034 (Consolidated)
Complainant,))
v.)
PUGET SOUND ENERGY)
Respondent.))
)

EXHIBIT NO. BGM-4

NATURAL GAS SERVICES REVENUE REQUIREMENT

Gas	Revenue	Rec	mireme	ent Summ	ıarv	(\$000)

			Company Filing	@ ICNU Cost of	f Capital	NWIGU Prop	osed		Impact of NWIGU Adjustments:				
					Rev. Req.			Rev. Req.	Pre-Tax	_		Rev. Req.	
	Adj.		Net Oper.		Def. /	Net Oper.		Def. /	Net Oper.	Net Oper.		Def. /	
Line	No.	Description	Income	Rate Base	(Suf.)	Income	Rate Base	(Suf.)	Income	Income	Rate Base	(Suf.)	NWIGU Position
1	1.00	Per Book Results (Y/E Sep. 30, 2016)	119,146	1,727,320	13,983	119,146	1,727,320	13,983					
			,	, ,	,	,	, ,	,					
Restatin													
2	6.01	Revenue & Expenses	(32,674)	-	52,781	(32,674)	-	52,662	-	-	-	-	NWIGU Neutral
3	6.02	Temperature Normalization	16,070	-	(25,959)	16,070	-	(25,900)	-	-	-	-	NWIGU Neutral
4	6.03	Pass Through Revenue & Expense	736	-	(1,189)	736	-	(1,186)	-	-	-	-	NWIGU Neutral
5	6.04	Federal Income Tax	701	-	(1,132)	701	-	(1,130)	-	-	-	-	NWIGU Neutral
6	6.05	Tax Benefit Of Pro Forma Interest	18,426	-	(29,764)	18,256	-	(29,424)	-	(170)	-	273	NWIGU Updated
7	6.06	Depreciation Study	13,174	6,587	(20,458)	13,174	6,587	(20,448)	-	-	-	-	NWIGU Neutral
8	6.07	Injuries & Damages	(58)	-	93	(58)	-	93	-	-	-	-	NWIGU Neutral
9	6.08	Bad Debts	(159)	-	257	(159)	-	256	-	-	-	-	NWIGU Neutral
10	6.09	Incentive Pay	213	-	(344)	213	-	(343)	-	-	-	-	NWIGU Neutral
11	6.10	D&O Insurance	12	-	(19)	12	-	(19)	-	-	-	-	NWIGU Neutral
12	6.11	Interest On Customer Deposits	(31)	-	50	(31)	-	49	-	-	-	-	NWIGU Neutral
13	6.12	Rate Case Expenses	(281)	-	453	(281)	-	452	-	-	-	-	NWIGU Neutral
14	6.13	Deferred Gains/ Losses Prop Sales	(105)	-	170	(105)	-	169	-	-	-	-	NWIGU Neutral
15	6.14	Property& Liability Ins	45	-	(73)	45	-	(73)	-	_	-	-	NWIGU Neutral
16	6.15	Pension Plan	(572)	_	(725)	449	-	(723)	1,571	1,021	-	(1,645)	NWIGU Oppose
17	6.16	Wage Increase	(972)	-	1,570	(972)	-	1,567	-	-	-	-	NWIGU Neutral
18	6.17	Investment Plan	(51)	-	83	(51)	-	83	-	-	-	-	NWIGU Neutral
19	6.18	Employee Insurance	(59)	-	95	(59)	-	95	-	_	-	_	NWIGU Neutral
20	6.19	Environmental Remediation	(5,565)	_	4,604	(2,850)	_	4,594	4,176	2,715	_	(4,375)	NWIGU Oppose
21	6.20	Payment Processing Costs	(2,226)	-	3,595	(2,226)	-	3,587	_	_	-	-	NWIGU Neutral
22	6.21	South King Service Center	212	7,775	630	212	7,775	586	-	_	-	_	NWIGU Neutral
23	6.22	WUTC Filing Fee Excise Tax	34		(54)	34	, -	(54)	-	_	-	_	NWIGU Neutral
24	IN-4	Plant Held For Future Use	_	_		_	(3,591)	(428)	_	_	(3,591)	(428)	NWIGU Proposed
25	IN-5	Greenwood Natural Gas Explosion	-	-	-	238	-	(384)	366	238	-	(384)	NWIGU Proposed
26		Restated Results	126,016	1,741,682	4,624	129,820	1,738,090	(1,936)	6,113	3,804	(3,591)	(6,559)	
<u>Pro For</u>	ma Adju.												
27	7.01	Cost Rcvry Mech	(4,004)	19,012	8,845	(4,004)	19,012	8,720	-	-	-	-	NWIGU Neutral
28	IN-2	Pro Forma Net Operating Loss Carryfwd	-	-	-	-	(12,623)	(1,505)	-	-	(12,623)	(1,505)	NWIGU Proposed
29		Pro Forma Results	122,012	1,760,694	13,344	125,816	1,744,479	5,279	6,113	3,804	(16,214)	(8,065)	

PUGET SOUND ENERGY - GAS REVENUE REQUIREMENT CALCULATIONS RESULTS OF OPERATIONS FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016 ADJUSTED RESULTS DETAIL

LINE NO.			ACTUAL RESULTS OF OPERATIONS		TOTAL ADJUSTMENTS		ADJUSTED RESULTS OF OPERATIONS	RE	REVENUE QUIREMENT EFICIENCY	•	AFTER RATE INCREASE	
1	OPERATING REVENUES:											Rate Increase
2	SALES TO CUSTOMERS	\$	857,492,456	\$	(54,759,248)	\$	802,733,208	\$	5,279,247	\$	808,012,455	0.7%
3	MUNICIPAL ADDITIONS		-		0		-				-	
3	OTHER OPERATING REVENUES		37,980,142		(24,929,000)		13,051,143		-		13,051,143	0.0%
4	TOTAL OPERATING REVENUES	\$	895,472,599	\$	(79,688,247)	\$	815,784,351		\$5,279,247	\$	821,063,598	0.6%
5												
6												
7	OPERATING REVENUE DEDUCTIONS:											
8	G . G . G . G . G . G . G . G . G . G .											
9	GAS COSTS:											
10	DUDGH AGED CAG	¢.	226 202 260	ф	20, 020, 022	¢.	257 221 201	•		•	257 221 201	
11 12	PURCHASED GAS	\$	326,393,369	Э	30,828,022	3	357,221,391	3	-	\$	357,221,391	
13	TOTAL PRODUCTION EXPENSES	\$	326,393,369	\$	30,828,022	\$	357,221,391	\$		\$	357,221,391	
13	TOTAL PRODUCTION EXPENSES	Э	320,393,309	Э	30,828,022	Э	337,221,391	Ф	-	Э	337,221,391	
15	OTHER POWER SUPPLY EXPENSES	\$	2,420,905	\$	32,568	\$	2,453,474	\$	_	\$	2,453,474	
16	TRANSMISSION EXPENSE	Ψ	2,420,703	Ψ	0	Ψ	2,433,474	Ψ	_	Ψ	2,433,474	
17	DISTRIBUTION EXPENSE		55,510,540		634,072		56,144,612				56,144,612	
18	CUSTOMER ACCOUNT EXPENSES		26,085,152		3,343,186		29,428,338		27,135		29,455,474	
19	CUSTOMER SERVICE EXPENSES		7,953,019		(5,668,709)		2,284,310		,		2,284,310	
20	CONSERVATION AMORTIZATION		12,460,807		(12,460,807)		-				-	
21	ADMIN & GENERAL EXPENSE		50,479,810		(470,644)		50,009,166		10,558		50,019,725	
22	DEPRECIATION		122,080,785		(20,280,517)		101,800,268				101,800,268	
23	AMORTIZATION		11,666,003		(8,253)		11,657,750				11,657,750	
24	AMORTIZATION OF PROPERTY LOSS		-		0		-				-	
25	OTHER OPERATING EXPENSES		(230,973)	1	4,546,628		4,315,655				4,315,655	
	ASC 815		-		0		-				-	
27	TAXES OTHER THAN INCOME TAXES		95,653,987		(61,297,863)		34,356,123		202,311		34,558,435	
	INCOME TAXES		-		1,732,523		1,732,523		1,763,733		3,496,256	
29	DEFERRED INCOME TAXES		65,853,423	Φ.	(27,288,647)	Φ.	38,564,776	Φ.	2 002 520	Φ.	38,564,776	
30 31	TOTAL OPERATING REV. DEDUCT.	\$	776,326,830	\$	(117,186,464)	\$	332,746,997	\$	2,003,738	\$	334,750,735	
32	NET OPERATING INCOME	\$	119,145,769	¢	6,670,195	¢	125,815,964	¢	3,275,509	¢.	129,091,472	
	NET OPERATING INCOME	Э	119,143,769	Э	0,070,193	Э	123,813,904	Ф	3,273,309	Э	129,091,472	
33 34	RATE BASE	\$	1,727,319,760		\$17,159,601	¢	1,744,479,361	¢		\$	1,744,479,361	
	KATE BASE	Ф	1,727,319,700		\$17,139,001	Ф	1,744,479,301	Ф	-	Ф	1,744,479,301	
35 36	RATE OF RETURN		6.90%				7.21%				7.40%	
37	RATE OF RETURN		0.90%				7.2170				7.40%	
	RATE BASE:											
39	UTILITY PLANT IN SERVICE	\$	3,545,031,363	\$	23,481,968	\$	3,568,513,331			\$	3,568,513,331	
40	ACCUMULATED DEPRECIATION	Ψ	(1,363,034,789)		2,736,291	Ψ	(1,360,298,498)			Ψ	(1,360,298,498)	
41	ACCUMULATED DEFERRED FIT		(502,155,618)		(9,058,658)		(511,214,276)				(511,214,276)	
42	OTHER		(30,161,803)		(-,,000)		(30,161,803)				(30,161,803)	
43	TOTAL NET INVESTMENT	\$	1,649,679,153		17,159,601	\$	1,666,838,754	-		\$	1,666,838,754	
44	ALLOWANCE FOR WORKING CAPITAL		77,640,607		- , ,		77,640,607				77,640,607	
46	TOTAL RATE BASE	\$	1,727,319,760	\$	17,159,601	\$	1,744,479,361	-		\$	1,744,479,361	
		_			, , ,			=		_		

LINI NO.		o	AL RESULTS OF PERATIONS IE Sept 30, 2016 1.00		REVENUE & EXPENSES 6.01		EMPERATURE ORMALIZATION 6.02		PASS THROUGH REVENUE & EXPENSE 6.03		FEDERAL COME TAX 6.04	P	TAX BENEFIT OF PRO FORMA INTEREST 6.05	DI	EPRECIATION STUDY 6.06
1 2	OPERATING REVENUES: SALES TO CUSTOMERS	\$	857,492,456	\$	(54,715,829)	\$	58,088,570	9	\$ (51,812,721)	\$	_	\$	_	\$	
3	MUNICIPAL ADDITIONS	Ψ	007,192,100	Ψ	(51,715,025)	Ψ	20,000,270	4	(01,012,721)	Ψ		Ψ		Ψ	
3	OTHER OPERATING REVENUES		37,980,142		(24,316,522)				(612,478)						
4	TOTAL OPERATING REVENUES	\$	895,472,599	\$	(79,032,351)	\$	58,088,570	\$	\$ (52,425,199)	\$	-	\$	-	\$	-
5															
6															
7 8	OPERATING REVENUE DEDUCTIONS:														
8	GAS COSTS:														
10	GIB COBIS.														
11	PURCHASED GAS	\$	326,393,369	\$	(25,171,488)	\$	30,724,734	\$	\$ 25,274,776	\$	-	\$	-	\$	-
12															
13	TOTAL PRODUCTION EXPENSES	\$	326,393,369	\$	(25,171,488)	\$	30,724,734	\$	\$ 25,274,776	\$	-	\$	-	\$	-
14 15	OTHER POWER SUPPLY EXPENSES		2,420,905			\$				\$		\$		\$	
16	TRANSMISSION EXPENSE		2,420,903			φ	-			Φ	-	ф	-	φ	-
17	DISTRIBUTION EXPENSE		55,510,540												
18	CUSTOMER ACCOUNT EXPENSES		26,085,152		(406,226)		298,575		(269,466)						
19	CUSTOMER SERVICE EXPENSES		7,953,019						(5,693,636)						
20	CONSERVATION AMORTIZATION		12,460,807		(1.50.0.5)				(12,460,807)						
21 22	ADMIN & GENERAL EXPENSE DEPRECIATION		50,479,810 122,080,785		(158,065)		116,177		(104,850)						(20,259,589)
23	AMORTIZATION		11,666,003												(8,253)
24	AMORTIZATION OF PROPERTY LOSS		11,000,003												(0,233)
25	OTHER OPERATING EXPENSES		(230,973)		-		-								
26	ASC 815		-												
27	TAXES OTHER THAN INCOME TAXES		95,653,987		(3,028,678)		2,226,070		(60,303,751)						
28	INCOME TAXES		- 65 952 422		(17,593,763)		8,653,055		396,387		26,587,825		(18,255,977)		7,093,745
29 30	DEFERRED INCOME TAXES TOTAL OPERATING REV. DEDUCT.	\$	65,853,423 776,326,830	\$	(21,186,732)	\$	11,293,877	q	\$ (78,436,122)	\$	(27,288,647)	\$	(18,255,977)	\$	(13,174,098)
31	TOTAL OF EKATING REV. DEDUCT.	Ψ	770,320,630	Ψ	(21,100,732)	Ψ	11,273,677	4	(70,430,122)	Ψ	(700,022)	Ψ	(10,233,777)	Ψ	(13,174,070)
32	NET OPERATING INCOME	\$	119,145,769	\$	(32,674,131)	\$	16,069,959	\$	\$ 736,148	\$	700,822	\$	18,255,977	\$	13,174,098
33															
34	RATE BASE	\$	1,727,319,760	\$	-	\$	-	\$	-	\$	-	\$	-	\$	6,587,049
35															
36	RATE OF RETURN		6.90%												
37 38	RATE BASE:														
39	UTILITY PLANT IN SERVICE	\$	3,545,031,363	\$	_	\$	_	9	S -	\$	_	\$	_		
40	ACCUMULATED DEPRECIATION	-	(1,363,034,789)			-			•	-		-			10,133,921
41	ACCUMULATED DEFERRED FIT		(502,155,618)												(3,546,872)
42	OTHER		(30,161,803)												
43	TOTAL NET INVESTMENT	\$	1,649,679,153	\$	-	\$	-	\$	-	\$	-	\$	-	\$	6,587,049
44	ALLOWANCE FOR WORKING CAPITAL	\$	77,640,607	•		\$		9	2	e		•		¢	6,587,049
46	TOTAL RATE BASE	3	1,727,319,760	Þ		\$		3	-	\$		\$	-	3	6,587,049

LINE NO.			URIES & MAGES 6.07	BAD DEBTS 6.08	IN	CENTIVE PAY 6.09	D&O INSURANCE 6.10	C	INTEREST ON CUSTOMER DEPOSITS 6.11		ATE CASE XPENSES 6.12	DEFERRED GAINS/ LOSSES PROP SALES 6.13		PROPERTY& IABILITY INS 6.14	PENSION PLAN 6.15
	OPERATING REVENUES: SALES TO CUSTOMERS MUNICIPAL ADDITIONS OTHER OPERATING REVENUES	\$	- \$	-	\$	-		\$	-	\$	-		\$	- \$	-
4 5	TOTAL OPERATING REVENUES	\$	- \$	-	\$	- :	-	\$	-	\$	- \$	-	\$	- \$	-
6 7 8	OPERATING REVENUE DEDUCTIONS:														
9 10	GAS COSTS:	ď.			¢			•		¢			Φ.	¢.	
11 12 13	PURCHASED GAS TOTAL PRODUCTION EXPENSES	\$ 	- \$ - \$		\$	- :	\$ -	\$	-		- \$		\$	- \$	
14	OTHER POWER SUPPLY EXPENSES	\$	- \$		\$	(7,715)		\$	-		- 4		\$	- \$ - \$	-
16 17 18	TRANSMISSION EXPENSE DISTRIBUTION EXPENSE CUSTOMER ACCOUNT EXPENSES CUSTOMER SERVICE EXPENSES CONSERVATION AMORTIZATION	•	•	244,361	7	(159,845) (53,778) (6,348)	•	7	30,709	•	·		7	Ť	
21 22 23 24	ADMIN & GENERAL EXPENSE DEPRECIATION AMORTIZATION AMORTIZATION OF PROPERTY LOSS OTHER OPERATING EXPENSES		88,827	-		(81,049)	(17,901)				431,719	161,677		(69,499)	(690,446)
26 27 28	TAXES OTHER THAN INCOME TAXES INCOME TAXES DEFERRED INCOME TAXES		(31,089)	(85,526)		(19,047) 114,724	6,265			\$	(151,102)	(56,587)		24,325	241,656
30 31	TOTAL OPERATING REV. DEDUCT.	\$	57,738 \$	158,835	\$	(213,058)	\$ (11,636)	\$	30,709	\$	280,617 \$	105,090	\$	(45,174) \$	(448,790)
32 33	NET OPERATING INCOME	\$	(57,738) \$	(158,835)	\$	213,058	\$ 11,636	\$	(30,709)	\$	(280,617) \$	(105,090)	\$	45,174 \$	448,790
34 35	RATE BASE RATE OF RETURN	\$	- \$	_	\$	- :	\$ -	\$	-	\$	- \$	е	\$	- \$	
37	RATE OF RETURN RATE BASE: UTILITY PLANT IN SERVICE ACCUMULATED DEPRECIATION ACCUMULATED DEFERRED FIT OTHER	\$	- \$ - -	-	\$	- :	\$ -	\$		\$	- \$	-	\$	- \$	-
43 44	TOTAL NET INVESTMENT ALLOWANCE FOR WORKING CAPITAL	\$	- \$	-	\$	- :	\$ -	\$		\$	- \$	-	\$	- \$	-
46	TOTAL RATE BASE	\$	- \$	-	\$	- :	\$ -	\$	- -	\$	- \$	-	\$	- \$	_

LINE NO.		IN	WAGE NCREASE 6.16	IN	VESTMENT PLAN 6.17	MPLOYEE SURANCE 6.18	NVIRONMENTAL REMEDIATION 6.19	PR	PAYMENT OCESSING COSTS 6.20	OUTH KING VICE CENTER 6.21	UTC FILING FEE EXCISE TAX 6.22	ANT HELD FOR FUTURE USE IN-4
1 2 3 3	OPERATING REVENUES: SALES TO CUSTOMERS MUNICIPAL ADDITIONS OTHER OPERATING REVENUES	\$	-	\$	-	\$ _				 	 	
4 5	TOTAL OPERATING REVENUES	\$	-	\$	-	\$ -	\$ -			\$ -	\$ -	\$ -
6 7 8	OPERATING REVENUE DEDUCTIONS:											
9 10	GAS COSTS:											
11 12	PURCHASED GAS	\$	-	\$	-	\$ -						
13 14	TOTAL PRODUCTION EXPENSES	\$	-	\$	-	\$ -	\$ -			\$ -	\$ -	\$ -
15 16	OTHER POWER SUPPLY EXPENSES TRANSMISSION EXPENSE	\$	40,283	\$	-	\$ -						
	DISTRIBUTION EXPENSE CUSTOMER ACCOUNT EXPENSES CUSTOMER SERVICE EXPENSES		793,916 107,338 31,275						3,424,154			
22	CONSERVATION AMORTIZATION ADMIN & GENERAL EXPENSE DEPRECIATION AMORTIZATION		446,330		79,135	90,433				(177,706) (148,522)	(44,763)	
25	AMORTIZATION OF PROPERTY LOSS OTHER OPERATING EXPENSES ASC 815						4,384,952					
27	TAXES OTHER THAN INCOME TAXES INCOME TAXES DEFERRED INCOME TAXES		76,499 (523,475)		(27,697)	(31,651)	(1,534,733)		(1,198,454)	114,180	(6,790) 18,044	-
30 31	TOTAL OPERATING REV. DEDUCT.	\$	972,167	\$	51,438	\$ 58,781	\$ 2,850,219	\$	2,225,700	\$ (212,048)	\$ (33,509)	\$ -
32 33	NET OPERATING INCOME	\$	(972,167)	\$	(51,438)	\$ (58,781)	\$ (2,850,219)	\$	(2,225,700)	\$ 212,048	\$ 33,509	\$
	RATE BASE	\$	-	\$	-	\$ -	\$ -	\$	-	\$ 7,775,116	\$ -	\$ (3,591,495)
36 37	RATE OF RETURN RATE BASE:											
39 40 41 42	UTILITY PLANT IN SERVICE ACCUMULATED DEPRECIATION ACCUMULATED DEFERRED FIT OTHER	\$	-	\$	-	\$ -	\$ -	\$	-	\$ 7,690,286 (49,520) 134,349		\$ (3,591,495)
43 44	TOTAL NET INVESTMENT ALLOWANCE FOR WORKING CAPITAL	\$	-	\$	-	\$ -	\$ -	\$	-	\$ 7,775,116	\$ -	\$ (3,591,495)
46	TOTAL RATE BASE	\$	-	\$	-	\$ -	\$ -	\$	-	\$ 7,775,116	\$ -	\$ (3,591,495)

LINE NO.		GREENWOOD EXPLOSION IN-5		RC	COST CVRY MECH 7.01		NOL C/F IN-2	ΑI	TOTAL DJUSTMENTS		ADJUSTED RESULTS OF OPERATIONS
1 2	OPERATING REVENUES: SALES TO CUSTOMERS			\$	(6,319,268)			\$	(54,759,248)	s	802,733,208
3	MUNICIPAL ADDITIONS			Ψ	(0,017,200)			Ψ	(5.,755,2.6)	Ψ	-
3	OTHER OPERATING REVENUES								(24,929,000)		13,051,143
4	TOTAL OPERATING REVENUES	\$	-	\$	(6,319,268)	\$	-	\$	(79,688,247)	\$	815,784,351
5											
6											
7	OPERATING REVENUE DEDUCTIONS:										
8											
9	GAS COSTS:										
10	N. W. C. V. C.										
11	PURCHASED GAS							\$	30,828,022	\$	357,221,391
12	TOTAL DRODUCTION EVDENCES	\$	_	¢.		\$	_	\$	30,828,022	\$	257 221 201
13 14	TOTAL PRODUCTION EXPENSES	\$	-	\$	-	3	-	3	30,828,022	Э	357,221,391
15	OTHER POWER SUPPLY EXPENSES							\$	32,568	2	2,453,474
16	TRANSMISSION EXPENSE							Ψ	52,500	Ψ	2,433,474
	DISTRIBUTION EXPENSE								634,072		56,144,612
18	CUSTOMER ACCOUNT EXPENSES				(32,481)				3,343,186		29,428,338
19	CUSTOMER SERVICE EXPENSES								(5,668,709)		2,284,310
20	CONSERVATION AMORTIZATION								(12,460,807)		-
21	ADMIN & GENERAL EXPENSE	(366,3	348)		(12,639)				(470,644)		50,009,166
22	DEPRECIATION				127,594				(20,280,517)		101,800,268
23	AMORTIZATION								(8,253)		11,657,750
	AMORTIZATION OF PROPERTY LOSS										
	OTHER OPERATING EXPENSES								4,546,628		4,315,655
26 27	ASC 815 TAXES OTHER THAN INCOME TAXES				(242.167)				(61 207 962)		24.256.122
	INCOME TAXES	128,3	-		(242,167) (2,155,851)		-		(61,297,863) 1,732,523		34,356,123 1,732,523
29	DEFERRED INCOME TAXES	120,.	222		(2,133,631)		-		(27,288,647)		38,564,776
30	TOTAL OPERATING REV. DEDUCT.	\$ (238.	126)	S	(2,315,544)	\$	-	\$	(117,186,464)	S	332,746,997
31	TOTAL OF ENGLISH OF NEXT BEDOOF.	(250,	120)	Ψ	(2,515,511)	Ψ		Ψ	(117,100,101)	Ψ.	332,7 10,777
32	NET OPERATING INCOME	\$ 238,	126	\$	(4,003,724)	\$	-	\$	6,670,195	\$	125,815,964
33											
34	RATE BASE	\$	-	\$	19,011,708	\$	(12,622,777)	\$	17,159,601	\$	1,744,479,361
35											
36	RATE OF RETURN										7.21%
37											
38	RATE BASE:										
39	UTILITY PLANT IN SERVICE			\$	32,005,953	\$	(12,622,777)	\$	23,481,968	\$	3,568,513,331
40	ACCUMULATED DEPRECIATION				(7,348,110)				2,736,291		(1,360,298,498)
41	ACCUMULATED DEFERRED FIT				(5,646,135)				(9,058,658)		(511,214,276)
42	OTHER	ф.		¢.	10.011.700	Φ.	(12 (22 777)	ı.	17,150,601	•	(30,161,803)
43	TOTAL NET INVESTMENT	\$	-	2	19,011,708	\$	(12,622,777)	\$	17,159,601	\$	1,666,838,754
44 46	ALLOWANCE FOR WORKING CAPITAL TOTAL RATE BASE	\$	_	\$	19,011,708	\$	(12,622,777)	\$	17,159,601	\$	77,640,607 1,744,479,361
40	TOTAL RATE DASE	φ	-	φ	19,011,708	ð	(14,044,777)	Þ	17,139,001	Ф	1,744,479,301

PUGET SOUND ENERGY - GAS REVENUE REQUIREMENT CALCULATIONS GENERAL RATE INCREASE FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016 GENERAL RATE CASE

LINE	
NO.	DESCRIPTION

1 2	RATE BASE RATE OF RETURN	\$	1,744,479,361 7.40%
3 4	OPERATING INCOME REQUIREMENT	\$	129,091,473
5	OI ERATINO INCOME REQUIREMENT	φ	129,091,473
6	PRO FORMA OPERATING INCOME	\$	125,815,964
7	OPERATING INCOME DEFICIENCY	\$	3,275,509
8			
9	CONVERSION FACTOR		0.620450
10	REVENUE REQUIREMENT DEFICIENCY	\$	5,279,247

PUGET SOUND ENERGY - GAS REVENUE REQUIREMENT CALCULATIONS PRO FORMA COST OF CAPITAL FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016 GENERAL RATE CASE

LINE NO.	DESCRIPTION	PRO FORMA CAPITAL %	COST %	COST OF CAPITAL
1	SHORT & LONG TERM DEBT	51.50%	5.81%	2.99%
2	EQUITY	48.50%	9.10%	4.41%
3	TOTAL COST OF CAPITAL	100.00%		7.40%
4				
5	AFTER TAX DEBT	51.50%	5.81%	1.94%
6	EQUITY	48.50%	9.10%	4.41%
7	TOTAL AFTER TAX COST OF CAPITAL	100.00%		6.35%

PUGET SOUND ENERGY - GAS REVENUE REQUIREMENT CALCULATIONS CONVERSION FACTOR FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016 GENERAL RATE CASE

NO.	DESCRIPTION	BASE	RATE	AMOUNT
1	BAD DEBTS			0.005140
2	ANNUAL FILING FEE			0.002000
3	STATE UTILITY TAX (3.852% - (LINE 1 * 3.852%))		3.852%	0.038322
4			· 	
5	SUM OF TAXES OTHER			0.045462
6				
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOM	ME TAX (1 - LINE 5)		0.954538
8	FEDERAL INCOME TAX (LINE 7 * 35%)		35%	0.334088
9			_	
10	CONVERSION FACTOR			0.620450

PUGET SOUND ENERGY-GAS TAX BENEFIT OF PRO FORMA INTEREST

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016 GENERAL RATE CASE

NO.	DESCRIPTION			AMOUNT
1	RATE BASE	\$ 1,744,479,361		
2				
3	NET RATE BASE	\$ 1,744,479,361		
4				
5	WEIGHTED AVERAGE COST OF DEBT	2.99%		
6	PROFORMA INTEREST		\$	52,159,933
7				
8	INCREASE (DECREASE) INCOME		\$	(52,159,933)
9	(-	(=,==,,==)
10	INCREASE (DECREASE) FIT @	35%	\$	(18,255,977)
11	INCREASE (DECREASE) NOI		ф ф	18.255.977
11	INCREASE (DECREASE) NOI		Э	18,233,977

PUGET SOUND ENERGY-GAS DEPRECIATION STUDY

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016 GENERAL RATE CASE

LINE	DESCRIPTION	ACTUAL	ROFORMA	ΑT	JUSTMENT
	DESCRIPTION	ACTUAL	 RESTATED	AL	JUSTIVILIVI
1 2 3	403 GAS DEPRECIATION EXPENSE 403 GAS PORTION OF COMMON 403 DEPR. EXP. ON ASSETS NOT INCLUDED IN STUDY	\$ 113,989,496 7,429,557 27,368	\$ 95,003,919 6,464,523 27,368	\$	(18,985,577) (965,034)
4	404 DEPR. EXP. ON ASSETS NOT INCLUDED IN STUDY	11,632,340	11,632,340		_
5 6	SUBTOTAL DEPRECIATION EXPENSE 403	\$ 133,078,761	\$ 113,128,150	\$	(19,950,611)
7	403.1 DEPR. EXP- ASC 410 (RECOVERED IN RATES)	\$ 173,995	\$ 153,458	\$	(20,537)
8	403.1 DEPR. EXP - ASC 410 (NOT RECOVERED IN RATES)	51,681	-		(51,681)
9 10	SUBTOTAL DEPRECIATION EXPENSE 403.1	\$ 225,676	\$ 153,458	\$	(72,217)
11 12	TOTAL DEPRECIATION EXPENSE	\$ 133,304,437	\$ 113,281,608	\$	(20,022,829)
13	AMORTIZATION EXPENSE				
14	411.10 ACCRETION EXP ASC 410 (RECOVERED IN RATES)	28,810	25,410		(3,400)
15	411.10 ACCRETION EXP ASC 410 (NOT RECOVERED IN RATES)	 4,853	-		(4,853)
16	SUBTOTAL ACCRETION EXPENSE 411.10	\$ 33,663	\$ 25,410	\$	(8,253)
17					
18	DEPRECIATION EXPENSE 403 ASSOCIATED WITH FLEET	\$ 408,688	\$ 171,927	\$	(236,761)
19					
20					
21	INCREASE (DECREASE) EXPENSE			\$	(20,267,842)
22	INCREASE (DECREASE) FIT				7,093,745
23	INCREASE (DECREASE) NOI			\$	13,174,098
24					
25					
26	ADJUSTMENT TO RATE BASE	70 00		ф	10 122 021
27	ADJUSTMENT TO ACCUM. DEPREC. AT 50% DEPREC. EXPENSE LINE 21	50%		\$	10,133,921
28	DEFERRED FIT				(3,546,872)
29 30	TOTAL ADJUSTMENT TO RATEBASE			\$	6,587,049

PUGET SOUND ENERGY-GAS PENSION PLAN

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016 GENERAL RATE CASE

NO.	DESCRIPTION		ACTUAL	RESTATED		ADJUSTMENT	
1	QUALIFIED RETIREMENT FUND	\$	2,950,666	\$	2,260,220	\$	(690,446)
2	INCREASE(DECREASE) EXPENSE	\$	2,950,666	\$	2,260,220	\$	(690,446)
3							
4	INCREASE(DECREASE) OPERATING EXPE	ENSE	E (LINE 2)			\$	(690,446)
5	INCREASE (DECREASE) FIT @		35%				241,656
6	INCREASE (DECREASE) NOI					\$	448,790

PUGET SOUND ENERGY-GAS ENVIRONMENTAL REMEDIATION

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016 GENERAL RATE CASE

NO.	DESCRIPTION	 AMOUNT
1 2 3 4 5	GAS ENVIRONMENTAL REMEDIATION DEFERRED COSTS NET OF SITE SPECIFIC RECOVERIES AS OF SEPTEMBER 30. 2016 \$ 72,192,483 ANNUAL AMORTIZATION (LINE 3 ÷ 5 YEARS)	\$ 14,438,497
6	INSURANCE PROCEEDS & THIRD PARTIES PAYMENTS	
7		
8	SHARE OF DEFERRED UNASSIGNED RECOVERIES AS OF SEPTEMBER 30, 2016 \$ (50,267,725)	
9	ANNUAL AMORTIZATION (LINE 8 ÷ 5 YEARS)	\$ (10,053,545)
10	_	
11	TOTAL RATE YEAR AMORTIZATION GAS ENVIRONMENTAL (LINE 4 + LINE 9)	\$ 4,384,952
12		
13	INCREASE (DECREASE) FIT @ 35% (LINE 11 X 35%) 35%	(1,534,733)
14		
15	INCREASE (DECREASE) NOI	\$ (2,850,219)

Adj. IN-4

PUGET SOUND ENERGY-GAS PLANT HELD FOR FUTURE USE

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016

NO. DESCRIPTION	TEST PERIOD RESTATED ADJUSTMEN	<u>r</u>
1 RATE BASE: 2 FERC 105 - PLANT HELD FOR FUTURE USE	\$ 3,591,495 \$ - \$ (3,591,495)	5)

Adj. IN-2

PUGET SOUND ENERGY-GAS NET OPERATING LOSS CARRYFORWARD

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016

NO. DESCRIPTION	TEST PERIOD	RESTATED	ADJUSTMENT
1 RATE BASE:			
2 190.433-NET OPERATING LOSS CARRYFORWARD	\$ 12,622,777	\$ -	\$ (12,622,777)

Adj. IN-2

PUGET SOUND ENERGY-GAS GREENWOOD NATURAL GAS EXPLOSION

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016

LINE

NO.	DESCRIPTION	TEST PERIOD	RESTATED	ADJUSTMENT	

1 PRE-TAX EXPENSE

² FERC 923, 880 - GREENWOOD NATURAL GAS EXPLOSI \$ 366,348 \$ - \$ (366,348)